

# City of Round Rock

## Home Ownership Assistance Program

### Program Year 2006 – 2007

The Home Ownership Assistance Program (HOAP) provides to qualified, first time, income eligible homebuyers a non-interest bearing, **forgivable**, non-assumable loan to be used to assist with purchasing their first home. Program assistance can be used for one-half of the down payment and eligible closing costs up to and not to exceed \$5,000 on an as needed basis. ***The applicant will not be permitted to receive a reimbursement or cash back at closing.***

Upon future sale, lease, or transfer of title of the purchased home, the applicant will repay the principal loan amount to the Program from the sale or lease proceeds accordingly:

Sale or lease of home during the first 2 years	100% repayment
Sale or lease of home in year 3	75% repayment
Sale or lease of home in year 4	50% repayment
Sale or lease of home in year 5	25% repayment
Sale or lease of home after 5 years	Loan forgiven

The loan will be secured by a lien placed on the home for the term of sixty months. Reimbursed loans become program income and will be used to assist future eligible first-time homebuyers.

Persons interested in participating in this program can obtain a Home Ownership Assistance Program packet from our office:

**Office of Community Development  
301 W. Bagdad Suite 140  
Round Rock, Texas 78664**

Online applicants can print out copies of the required forms; however, the forms must be submitted to the office for processing. The website address is:

<http://www.roundrocktexas.gov>

### Loan Terms

The loan shall be a non-interest bearing, forgivable, non-assumable loan.

The loan shall be for a period of 60 months. The City of Round Rock shall be identified as a lien holder on the property. In the event the homeowner leases or sells the home, or defaults on the first mortgage during this period, the loan shall be repaid according to the schedule identified in the loan agreement.

If the homeowner still owns and resides in the property at the end of sixty months and has not defaulted on any terms set forth, the loan shall be forgiven and the lien removed.

### Fair Housing Information

The Round Rock Homeownership Assistance Program will adhere to all fair housing requirements as detailed in the Fair Housing and Equal Opportunity Act, and the Americans with Disabilities Act. Applicants

will be screened without regard to race, color, religion, sex, physical handicaps, familial status, national origin or age. All marketing for potential applicants for the down payment assistance will contain the Equal Housing Opportunity logo and wording.

## **City of Round Rock**

### **Home Ownership Assistance Program**

#### **Program Year 2005-2006**

To meet the needs of our bilingual community, project communication such as initial outreach and application intake for applicants will be in both English and Spanish. In all outreach efforts, the criteria for applicants will be detailed so as to maximize the efficiency of the application process.

The following community outreach vehicles will be used: newspaper advertisements; newspaper articles; flyers posted or distributed around the community in places such as the Round Rock Public Library, the Round Rock Housing Authority, and social service agencies that serve low-income populations.

At least one applicant "fair" will be held at a location to be announced to allow citizens to apply, at which time applications will be distributed. Applications will be accepted from the general public on a first-come, first-serve basis subject to the criteria stated in the program guidelines.

# City of Round Rock

## Home Ownership Assistance Program Guidelines

### Program Year 2006-2007

All funds must be applied toward the transaction. ***The applicant will not be permitted to receive a reimbursement or cash back at closing.*** To be eligible for assistance, the applicant must agree to all program requirements and restrictions including, but is not limited to the following:

1. Applicants must be first-time homebuyers or have not owned a home in the last 3 years. (Displaced single parent who deeded their share of homestead to an ex-spouse in a divorce settlement is considered a first time buyer.)
2. Applicants must be income eligible. Total **gross** household income cannot exceed 80% of median family income. See current maximum income levels listed below.

Family Size	Maximum Household Income	Family Size	Maximum Household Income
1	39,800	5	61,450
2	45,500	6	66,000
3	51,200	7	70,550
4	56,900	8	75,100

3. The property must be within the Round Rock city limits. Property in the extra-territorial jurisdiction (ETJ) is ineligible. Municipal Utility Districts (MUDs) are **not** within the city limits.
4. The property being purchased must be a **resale** property, at least one year old at the date of the loan application, and be a single family residence (house, townhouse or condominium only) and must be the applicant's primary place of residence. *Duplexes and manufactured homes are not eligible for assistance.*
5. **For conventional loan only, the property must pass a HUD Housing Quality Standards Inspection (HQS), performed by a certified HQS inspector prior to closing. This inspection looks at health, safety, and security at their minimum standards and does not serve in lieu of a structural inspection. All noted deficiencies must be repaired, and the same licensed inspector must make a follow up inspection.**
6. Property must meet regulations regarding Lead Base Paint (Prior to 1978) and no displacement of exiting tenant.
7. The purchase price of the home cannot exceed 95% of the median sales price for like homes in the Round Rock area (**\$133,000**) with the current median being \$140,000.
8. The applicant must be 18 years or older. If separated, an applicant is ineligible until the divorce is final.
9. Former occupants of the property being purchased cannot have been displaced. A signed Buyer/Seller Certification of Purchase will be required.
10. The total household liquid assets are limited to a verifiable total not to exceed \$5,000 in checking, savings, stocks, bonds, or mutual funds and total unimproved real estate assets limited to \$10,000 in real estate property at the time the application is submitted. Retirement accounts are exempt.
11. The property being purchased must be the applicants' primary place of residence.
12. The applicant must qualify for a first lien mortgage loan from a recognized private lender.
13. The first lien loan must be a fully amortized loan for up to 30 years with an interest rate that does not exceed the prevailing market rates for conforming loans.
14. Adjustable Rate Mortgages (ARMS), Balloon Payments, Wraparounds, Graduated Mortgage, Negative Amortization or other non-traditional financing is NOT allowed under this Program. Buy downs are permitted but cannot exceed the prevailing market interest rate at maturity.
15. The property must be in a condition to meet minimum City of Round Rock building codes (an inspection will be done by the City). For property located in the Flood Plain, Buyers must obtain Flood Insurance.
16. Applicant must participate and complete Credit and Homeownership Counseling.
17. **Certificate of Eligibility will be issued upon completion of all requested forms, documents, and satisfactory property inspection.**

# City of Round Rock

## HOAP Program Guidelines

Program Year 2006-2007

### How to Apply:

**Note:** *The city process will take approximately three weeks, assuming all documentation is submitted in a timely manner by applicant's loan processor.*

1. **The applicant must FIRST complete the Homebuyer Education Course provided by the City.**
2. The applicant must have applied for a mortgage loan from a lending institution and have had received pre-approval for a specific loan amount (Owner financing is not eligible), and
3. The applicant must enter into a sales contract to purchase their first home, and
4. The applicant must submit a completed current application, which includes the attached Application Checklist and all listed documents, to the HOAP Administrator. ***Incomplete applications will not be considered.***
5. The eligible applicant will be issued a **Certificate of Eligibility**. ***The Lender must complete and return the final approval, the appraisal, and the Document and Check Request Form with Schedules "A", "B", and "C" to the Office of Community Development a minimum of 10 working days prior to setting the date of closing, in order to timely process and obtain the loan documents and check.*** Checks are released on Friday afternoons after 2:00 p.m. only.
6. The **Certificate of Eligibility** will remain effective for a term of 30 days. One thirty (30) day extension may be requested. If the loan cannot be finalized in sixty (60) days, the **Certificate of Eligibility** will be terminated. An applicant may reapply no sooner than 30 days after the **Certificate of Eligibility** has expired.
7. ***The HOAP Program Administrator must review and approve the final HUD-1 closing statements prior to funding. All funds must be applied toward the transaction. The applicant is not permitted to receive a reimbursement or cash back at the time of closing.***
8. Request for down-payment assistance after closing is not eligible.

For more information on the City of Round Rock  
Homeownership Assistance Program (HOAP), please call

**Margie Lopez, Admin Tech III, at 341-3328 or  
Mona Ryan, Community Development Coordinator at 218-5416  
Fax 341-3152**

**Or Write:  
Homeownership Assistance Program (HOAP)  
301 W Bagdad Suite 140  
Round Rock, TX 78664**

The City of Round Rock is committed to compliance with the Americans with Disabilities Act (ADA and Section 504 of the Rehabilitation Act of 1973, as amended.) Reasonable modifications and equal access to communications will be provided upon request. This publication is available in alternative formats. Please call 499-3100 (voice) or Relay Texas at 499-3102 or 1-800-0735-2989 (TDD) for assistance. For sign language interpreter, please call the Department of Human Resources at 218-5490 at least 4-5 days in advance.

The City of Round Rock does not discriminate on the basis of disability in the admission or access to or treatment or employment in their programs and activities. Hassan Farhat has been designated as the City's Section 504/ADA Coordinator. His office is located at 221 East Main Street, 2<sup>nd</sup> Floor. If you have any questions or complaints regarding your Section 504/ADA rights, please call the Section 504/ADA Coordinator at 218-5643 (voice).

# City of Round Rock

## HOAP Application Checklist

Program Year 2006-2007

**\* \* DO NOT FAX COMPLETE APPLICATION \* \***

Applicant Name:		
Property Address:	Zip Code:	
Lending Institution		
Contact Person:	Phone:	Fax:
	e-mail:	
Real Estate Agent:	Phone:	Fax:
	e-mail:	

The complete application package must contain all the required information and documentation requested before the application will be considered. All applications will be date stamped and processed on a first-come first-serve basis. **Incomplete application packages will be cancelled after five (5) days.**

- \_\_\_ 1. The original Application/Certification Affidavit (all blanks must be filled in)
  - Address, Name, Age, Relationship, Gross Monthly Income (Regular, Overtime, Bonuses, Commissions, fees, tips, and other compensation for personal services).
  - Signed by applicant and co-applicant (on-purchasing spouse or man/woman in common law must sign this affidavit.)
  - Demographic information.
- \_\_\_ 2. The original BUYER/SELLER CERTIFICATION OF PURCHASE. Complete all blanks.
  - Date, Address, and Amount
  - Check property condition
  - Must be signed by Buyer, Co-Buyer, Seller, and Co-Seller
- \_\_\_ 3. Copy of Certificate of Completion approved Homeownership Course.
  - Certificate must be submitted with application to be considered.
  - Homeownership course given by Lending institutions must be pre-approved by this program.
- \_\_\_ 4. **NOTICE:** If home was built prior to 1978, prospective homeowners must receive the HUD/EPA/CPSC pamphlet "Protect Your Family from Lead in Your Home" or an EPA approved alternative; and, a disclosure form noting any known presence of lead-based paint. [24 CFR 35.1010 (b); 24 CFR 35.130]

- \_\_\_5. A copy of the Good Faith Estimate executed by the LOAN OFFICER and BUYER specific to the property being purchased. Identify the required down payment amount and type of loan.)
- Loan - FHA, Conventional, VA, etc.
  - Interest rate must not exceed the prevailing market rates for conforming loans. **Sub-prime mortgages are not eligible.**
  - Down payment, cash portion of the sales price payable by buyer at closing, must be typed or written in the Good Faith Estimate (GFE).
  - Good Faith Estimate must be signed by the Loan Officer.
  - Property address must be specified on the GFE.
  - Less Credits (POC) – Specify on the GFE items already paid by buyer, amount paid by seller, gift or Lender's contribution.
- \_\_\_6. A copy of the Lenders Uniform Loan Application executed by Loan Officer.
- Submit a complete application with type of loan, amortization type, interest rate, and fixed loan rate and **signed by Loan Officer and Applicants.**
- \_\_\_7. A copy of the fully executed Sales Contract and Seller's Disclosure Notice.
- Sales Contract – Signature from Buyer and Seller. **Contract MUST BE legible.**
- \_\_\_8. Checking and/or Savings Account – Copies of the most current statements for all working members of household.
- If Checking or savings account statements show a balance exceeding the amount permitted by this program, the application will be denied.
  - Must provide checking and savings account information on all working household members or a signed statement if applicable.
- \_\_\_9. Copies of last four (4) paycheck stubs for all working members of the household.
- Must be the last four pay periods.
  - If applicable, copy of recorded final Divorce Decree
- \_\_\_10. Transcripts of last three (3) years Income Tax Returns **DATE STAMPED BY THE IRS** for all working persons. (**Do not send W-2 forms**).
- Note: It takes from 10 to 30 days to receive this information!** Contact the IRS at 1-800-829-8374.
- If a couple filed separately, tax returns must be provided for each working member of the household.
  - Income Tax Returns filed electronically provide a print out from IRS.
- \_\_\_11. Copy of Valuation Conditions Report and Clearance from Appraiser (For all FHA and VA loans).

# Buyer/Seller Certification of Purchase

## HOAP Down Payment Assistance Program

Program Year 2006 – 2007

Date: \_\_\_\_\_

Property Being Sold: \_\_\_\_\_

### Buyers Intent To Purchase

I (Buyer) am a private individual interested in purchasing the property located at the above identified address. Please note that I will be applying for federal funds provided under the Down Payment Assistance Program, funded through the City of Round Rock. Although, federal funds may be involved in this transaction, you (Seller) understand that I do not have authority nor will I attempt to use the threat of eminent domain if we cannot reach a mutual agreement on the sale of the property. I understand approval of this certification by all parties is a condition to receiving City of Round Rock Down Payment Assistance.

### Sellers Certification Of Conditions

I (Seller) am the owner of the above identified property and am voluntarily selling the property of my own free will. I certify that the last occupant of the property was not displaced in order to place the property for sale therefore, no displacement has occurred. I understand you (Buyer) will not evoke the threat of eminent domain and therefore I am not eligible for assistance under the Uniform Relocation and Real Property Acquisition Policies Act of 1970, as amended. In addition, I recognize the right of the Buyer to withdraw from the escrow contract with no penalty if the Buyer is not approved for this assistance.

I (Seller) certify the property meets one of the following conditions (*check one*):

- ☐ Currently is or last occupied by myself before I placed it on the market to sell
- ☐ Had a previous tenant who moved out voluntarily when their lease expired or was evicted for due cause before the property was placed on the market
- ☐ Is being sold to the current tenant
- ☐ Is real estate owned by this institution which was vacant before a contract of sale was accepted

### Buyers/Sellers Acceptance And Authorization Of Intent To Purchase

As witnessed by our signatures below, the Buyer and Seller of the above identified property, do acknowledge and accept the conditions as set forth in this certification document. We attest to the accuracy of the statements provided. We agree that the sale price offer of \$\_\_\_\_\_ has been determined as the fair market value of the subject property, based on the unforced willingness of the Seller to sell and the unforced willingness of the Buyer to buy the subject property at the price so indicated.

Buyer: \_\_\_\_\_ Co-Buyer \_\_\_\_\_ Date: \_\_\_\_\_

Seller: \_\_\_\_\_ Co-Seller \_\_\_\_\_ Date: \_\_\_\_\_

**WARNING: Title 18, Section 10001 of the U.S. code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.**

# **Certification/Application Affidavit**

## **HOAP Down Payment Assistance Program**

### **Program Year 2006 – 2007**

#### **Submit affidavit with original signatures to this program**

I (We) hereby submit the information contained in the attached Uniform Residential Loan Application, tax returns, and other furnished documents to be considered for the Round Rock Home Ownership Down Payment Assistance Program. Under penalty of law, I certify the home being purchased is located at \_\_\_\_\_, Round Rock, Texas and the information contained in all required and signed program related documents being submitted is true and correct. I further certify that

1. The house I am (or, we are) purchasing is not a duplex or mobile home;
2. The house I am (or, we are) purchasing is located within the Round Rock city limits;
3. Neither I nor the Co-Applicant have owned a home in the last 3 years;
4. The house I am (or, we are) purchasing will be my (our) primary place of residence for five years; and
5. The following is a list of all persons who will be occupying the home after closing:

Name	Age	Relationship	Gross Mo. Income
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

The undersigned agrees to release whatever information the State Attorney General determines to be publicly available. The undersigned agrees to allow the City and/or its designee, financial institutions, and other appropriate institutions to share information contained in this or their file for the purpose of Down Payment Assistance eligibility and related business. I understand that any discrepancy or omissions later found may disqualify me. If such a discrepancy or omission is discovered after closing, I understand that any financial assistance provided by the City of Round Rock may become due and payable.

Applicant	Date	Co-Applicant	Date
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**RACE/NATIONAL ORIGIN:**

<input type="checkbox"/> White <input type="checkbox"/> Black/African-American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian or other Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African-American & White <input type="checkbox"/> Am. Indian/Alaskan Native & Black African Am. <input type="checkbox"/> Other Multi-Racial	<input type="checkbox"/> White & Hispanic <input type="checkbox"/> Black & African-American & Hispanic <input type="checkbox"/> Asian & Hispanic <input type="checkbox"/> American Indian & Alaskan Native & Hispanic <input type="checkbox"/> Native Hawaiian or other Pacific Islander & Hispanic <input type="checkbox"/> American Indian & Alaskan Native & White & Hispanic <input type="checkbox"/> Asian & White & Hispanic <input type="checkbox"/> Black & African-American & White & Hispanic <input type="checkbox"/> Am. Indian & Alaskan Native & Blk African Am. & Hispanic <input type="checkbox"/> Other Multi-Racial & Hispanic
<input type="checkbox"/> Male <input type="checkbox"/> Female Disabled: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**RACE/NATIONAL ORIGIN:**

<input type="checkbox"/> White <input type="checkbox"/> Black/African-American <input type="checkbox"/> Asian <input type="checkbox"/> American Indian/Alaskan Native <input type="checkbox"/> Native Hawaiian or other Pacific Islander <input type="checkbox"/> American Indian/Alaskan Native & White <input type="checkbox"/> Asian & White <input type="checkbox"/> Black/African-American & White <input type="checkbox"/> Am. Indian/Alaskan Native & Black African Am. <input type="checkbox"/> Other Multi-Racial	<input type="checkbox"/> White & Hispanic <input type="checkbox"/> Black & African-American & Hispanic <input type="checkbox"/> Asian & Hispanic <input type="checkbox"/> American Indian & Alaskan Native & Hispanic <input type="checkbox"/> Native Hawaiian or other Pacific Islander & Hispanic <input type="checkbox"/> American Indian & Alaskan Native & White & Hispanic <input type="checkbox"/> Asian & White & Hispanic <input type="checkbox"/> Black & African-American & White & Hispanic <input type="checkbox"/> Am. Indian & Alaskan Native & Blk African Am. & Hispanic <input type="checkbox"/> Other Multi-Racial & Hispanic
<input type="checkbox"/> Male <input type="checkbox"/> Female Disabled: <input type="checkbox"/> Yes <input type="checkbox"/> No	

**WARNING: Title 18, Section 10001 of the U.S. code states that a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department of the United States Government.**

**Counseling Affidavit (Optional)**  
*(To be completed by class instructor if no certificate is issued)*

**Program Year 2006 – 2007**

Applicant Name: \_\_\_\_\_

Property Address: \_\_\_\_\_

Lending Institution: \_\_\_\_\_

Counseling Agency: \_\_\_\_\_

Type of counseling provided:	Pre Purchase	Date: _____
	Post Purchase	Date: _____
	Credit/Budget	Date: _____

Agency signature: \_\_\_\_\_ Date: \_\_\_\_\_

Counseling sessions are normally held on the first Monday of each month from 6:00 – 8:00 p.m. in the Planning Department Conference Room located at 301 W Bagdad Suite 140. ***Appointments are necessary*** and scheduled through the Office of Community Development at 512-341-3328. Seating is limited to twelve persons per session.

Sessions are available in Spanish upon request. When making your appointment, please specify whether you need a class in English or Spanish. Certificate is valid for one year from the date of award.